



# Kentucky Retirement Systems

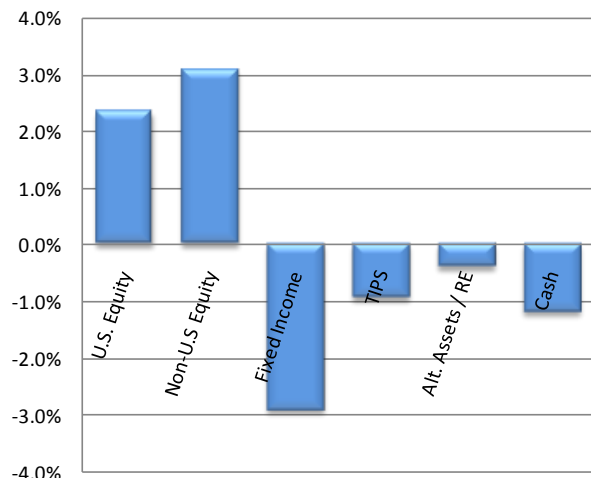
## Quarterly Investment Update

Pension Fund  
December 31, 2009

PENSION	QTD	Fiscal Y-T-D	1 Yr Ended	3 Yrs Ended	5 Yrs Ended	10 Yrs Ended
<b>Total Fund</b>						
KRS	4.37%	16.41%	19.66%	-1.00%	3.31%	3.23%
Blended Index	3.40%	15.67%	23.04%	-0.09%	3.45%	3.26%
<b>Equities</b>						
Domestic Equities	6.05%	24.13%	28.53%	-5.50%	0.96%	-0.01%
Performance Benchmark	5.75%	23.08%	27.15%	-5.40%	0.79%	0.24%
Non-U.S. Equities	3.72%	24.23%	40.11%	-3.08%	5.29%	1.39%
Performance Benchmark	3.41%	24.13%	40.16%	-4.39%	4.81%	1.84%
Total Equities	5.07%	24.17%	32.98%	-4.60%	2.34%	0.60%
Performance Benchmark	4.82%	23.51%	31.39%	-5.25%	1.82%	0.66%
<b>Fixed Income</b>						
Core Fixed Income	0.67%	6.06%	9.59%	3.97%	3.76%	5.78%
Performance Benchmark	0.20%	3.95%	5.93%	6.04%	4.91%	6.32%
TIPS	2.49%	4.98%	9.84%	6.78%	4.74%	6.76%
Performance Benchmark	1.77%	4.90%	11.41%	6.69%	4.63%	6.74%
Total Fixed Income	1.56%	6.16%	10.09%	4.93%	4.13%	6.24%
Performance Benchmark	0.65%	4.22%	7.51%	6.28%	4.88%	6.62%
<b>Real Estate</b>						
KRS	3.39%	-6.41%	-6.41%	-6.41%	-6.41%	-6.41%
Performance Benchmark	-3.32%	-8.35%	-8.35%	-8.35%	-8.35%	-8.35%
<b>Alternatives</b>						
KRS	8.23%	14.52%	-6.55%	-6.05%	3.61%	10.26%
Performance Benchmark	6.12%	22.37%	39.43%	-0.73%	3.12%	7.40%
<b>Cash</b>						
KRS	0.29%	0.67%	1.19%	3.26%	3.83%	4.21%
Performance Benchmark	0.03%	0.06%	0.16%	2.22%	2.88%	2.84%

**Actual V. Target Deviation**  
Pension as of 12/31/09

	\$'s (millions)	Actual %	Target %	Diff
U.S. Equity	\$3,529	32.3%	30.0%	2.3%
Non-U.S. Equity	2,517	23.1%	20.0%	3.1%
Fixed Income	2,409	22.1%	25.0%	-2.9%
TIPS	988	9.1%	10.0%	-0.9%
Alt. Assets / RE	1,266	11.6%	12.0%	-0.4%
Cash	197	1.8%	3.0%	-1.2%
Curr. Overlay	6	0.1%	0.0%	0.1%
Total	\$10,912	100.0%	100.0%	0.0%





# Kentucky Retirement Systems Quarterly Investment Update

Insurance Fund  
December 31, 2009

## Kentucky Retirement Systems Quarterly Investment Update December 31, 2009

INSURANCE	QTD	Fiscal Y-T-D	1 Yr Ended	3 Yrs Ended	5 Yrs Ended	10 Yrs Ended
<b>Total Fund</b>						
KRS	5.22%	20.20%	25.70%	-2.97%	2.72%	2.96%
Blended Index	4.49%	20.11%	28.52%	-3.04%	2.40%	2.43%
<b>Equities</b>						
Domestic Equities	7.41%	28.19%	36.43%	-5.85%	0.77%	0.59%
Performance Benchmark	5.99%	22.99%	27.24%	-5.27%	0.72%	-0.14%
Non-U.S. Equities	3.69%	23.86%	39.73%	-2.33%	6.05%	1.82%
Performance Benchmark	3.22%	23.50%	39.44%	-4.55%	4.70%	0.94%
Total Equities	5.97%	26.51%	34.63%	-5.55%	1.85%	1.17%
Performance Benchmark	4.80%	23.22%	31.46%	-5.28%	1.60%	0.75%
<b>Fixed Income</b>						
TIPS	2.44%	4.96%	10.26%	6.77%	4.70%	7.39%
Performance Benchmark	1.77%	4.90%	11.41%	6.69%	4.63%	7.26%
<b>Real Estate</b>						
KRS	4.30%	-8.60%	-8.60%	-8.60%	-8.60%	-8.60%
Performance Benchmark	-3.32%	-8.35%	-8.35%	-8.35%	-8.35%	-8.35%
<b>Alternatives</b>						
KRS	7.81%	17.25%	3.24%	-2.24%	2.43%	4.70%
Performance Benchmark	6.06%	22.69%	33.29%	-3.00%	1.93%	2.80%
<b>Cash</b>						
KRS	0.04%	0.12%	0.24%	2.72%	3.51%	3.42%
Performance Benchmark	0.03%	0.06%	0.16%	2.22%	2.88%	2.84%

**Actual V. Target Deviation**  
Insurance as of 12/31/09

	\$'s (millions)	Actual %	Target %	Difference
U.S. Equity	\$1,091	44.3%	40.0%	4.3%
Non-U.S. Equity	672	27.3%	30.0%	-2.7%
TIPS	270	11.0%	12.0%	-1.0%
Alt. Assets / RE	191	7.8%	15.0%	-7.2%
Cash	235	9.5%	3.0%	6.5%
Curr. Overlay	2	0.1%	0.0%	0.1%
<b>Total</b>	<b>\$2,462</b>	<b>100%</b>	<b>100.0%</b>	<b>0%</b>

